

RECORDED 23527 FILED

JUN 27 '01 4-09 PM

SURFACE TRANSPORTATION BOARD

ALVORD AND ALVORD  
ATTORNEYS AT LAW  
1600 K STREET, NW  
SUITE 200  
WASHINGTON, D.C.  
20006-2973  
(202) 393-2266  
FAX (202) 393-2156

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

OF COUNSEL  
URBAN A. LESTER

June 27, 2001

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Master Net Railcar Lease and Schedule No.01, dated April 5, 2001 and effective as of April 27, 1999, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: The CIT Group/Equipment Financing, Inc.  
1211 Avenue of the Americas  
New York, New York 10036

Lessee: The Burlington Northern and  
Santa Fe Railway Company  
2650 Lou Menk Drive  
Fort Worth, TX 76131

A description of the railroad equipment covered by the enclosed document is:

Three hundred and sixty (360) autoflood cars: CEFX 60360 - CEFX 60719 inclusive.

Mr. Vernon A. Williams  
June 27, 2001  
Page 2

A short summary of the document to appear in the index is:

Memorandum of Master Net Railcar Lease and Schedule No.01, dated April 5, 2001 and effective as of April 27, 1999, between The CIT Group/Equipment Financing, Inc., Lessor, and The Burlington Northern and Santa Fe Railway Company, Lessee.

Also enclosed is a check in the amount of \$28.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Alvord", with a stylized flourish at the end.

Robert W. Alvord

RWA/anm  
Enclosures

CERTIFICATION

RECEIVED NO. 23527 FILED

STATE OF NEW YORK     )  
                                  ) ss:  
COUNTY OF NEW YORK )

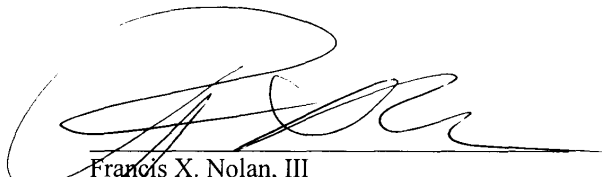
JUN 27 '01     4-09 PM

**SURFACE TRANSPORTATION BOARD**

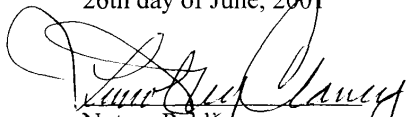
I, Francis X. Nolan, III, a partner at the law firm Schnader Harrison Segal & Lewis, LLP, admitted to practice in the State of New York, DO HEREBY CERTIFY that attached hereto are:

1. A true and correct copy of the original Memorandum of Master Net Railcar Lease, dated April 5, 2001, between The CIT Group/Equipment Financing, Inc., and The Burlington Northern and Santa Fe Railway Company; and
2. A true and correct copy of Schedule No. 01 to Master Net Railcar Lease, dated April 5, 2001 and effective as of April 27, 1999.

IN WITNESS WHEREOF, I have hereunto set my hand and caused this certificate to be delivered this 26th day of June, 2001.

  
Francis X. Nolan, III

Sworn to before me this  
26th day of June, 2001

  
Notary Public

**TIMOTHY CLANCY**  
**NOTARY PUBLIC, State of New York**  
No. 01CL5021469  
Qualified in New York County  
Commission Expires Dec. 13, 2001

MEMORANDUM OF MASTER NET RAILCAR LEASE

THIS MEMORANDUM OF MASTER NET RAILCAR LEASE, dated as of this 5<sup>th</sup> day of April, 2001, is made by THE CIT GROUP/EQUIPMENT FINANCING, INC., a New York corporation, with an address at 1211 Avenue of the Americas, New York, New York 10036 (the "Lessor" and, together with the Lessee, the "Parties") and THE BURLINGTON NORTHERN AND SANTA FE RAILWAY COMPANY, a Delaware corporation, with an address at 2600 Lou Menk Drive, Fort Worth, TX 76161 (the "Lessee").

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, the Lessor and the Lessee entered into that certain Master Net Railcar Lease (the "Lease") dated as of April 5, 2001, and effective as of April 27, 1999 and Schedule No. 1 thereto dated April 5, 2001 and effective as of April 27, 1999 covering the equipment listed on Exhibit A hereto (the "Equipment");

WHEREAS, the Parties wish to show for the public record the existence of the aforesaid Lease, and the respective interests therein of the Parties and accordingly the Parties have caused this memorandum to be executed by their respective duly authorized officers, as of the date first above written.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, by this instrument the Lessor hereby leases and confirms the lease of the Equipment to the Lessee in accordance with the terms and conditions of the Lease, and the Lessee confirms and accepts such terms and conditions, which are incorporated by reference as if fully set forth herein.

IN WITNESS WHEREOF, the undersigned has caused this Document to be executed by a duly authorized officer as of the day and year first above written.

THE CIT GROUP/EQUIPMENT FINANCING, INC.

By: Joseph L. Mankowski  
Name: JOSEPH L. MANKOWSKI  
Title: VICE PRESIDENT/RAIL RESOURCES

THE BURLINGTON NORTHERN AND SANTA FE RAILWAY COMPANY

By: F. C. Draper  
Name: F. C. DRAPER  
Title: VICE PRESIDENT

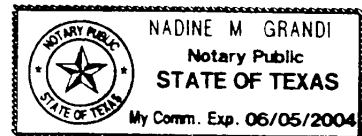
STATE OF TEXAS       )  
                                  ) SS:  
COUNTY OF TARRANT)

On this 14th day of May, 2001 before me personally appears FRITZ DRAPER, to me personally known, who by me duly sworn, says that he/she is the VICE PRESIDENT of THE BURLINGTON NORTHERN AND SANTA FE RAILWAY COMPANY (the "Company"), that the foregoing instrument was signed on behalf of the said Company by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Nadine M. Grandi

Notary Public



STATE OF NEW YORK   )  
                                  ) SS:  
COUNTY OF NEW YORK )

On this 22nd day of May, 2001 before me personally appears Joseph Mackowski, to me personally known, who by me duly sworn, says that he/she is the VICE-PRESIDENT of THE CIT GROUP/EQUIPMENT FINANCING, INC. (the "Company"), that the foregoing instrument was signed on behalf of the said Company by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Rose Mary Dinnaught

Notary Public

ROSE MARY DINNAUGHT  
Notary Public, State of New York  
No. 31-5010315  
Qualified in New York County  
Commission Expires March 29, 1995  
2003

# SCHEDULE NO. 01

This Schedule No. 01 to that certain Master Net Railcar Lease (hereinafter as the same may from time to time be amended, modified or supplemented referred to as the "Agreement") dated as of April 5, 2001, and effective as of April 27, 1999, between THE CIT GROUP/EQUIPMENT FINANCING, INC. ("Lessor") and THE BURLINGTON NORTHERN AND SANTA FE RAILWAY COMPANY ("Lessee") is made as of April 5, 2001, and effective as of April 27, 1999.

Lessor and Lessee agree as follows.

1. Capitalized Terms. All capitalized terms defined in the Agreement shall have the meanings defined therein when used in this Schedule No. 01 except that the term "Cars" as used herein shall only refer to the equipment described in this Schedule unless otherwise indicated.
2. Cars Leased. Lessor hereby leases the following Cars to Lessee subject to the terms and conditions of the Agreement and this Schedule.

<u>Quantity</u>	<u>Equipment Description</u>	<u>Reporting Marks and Numbers</u>
360	Newly built 4300 c.f. Aluminum Autoflood Cars w/ rotary couplers	CEFX 60360-60719

3. Acceptance. Lessee shall inspect each Car promptly when delivered to Lessee at a Delivery Location. Failure to report that any Car is not in Interchange Condition within the earlier of five (5) days of such Car's delivery to Lessee or the date of loading of such Car by Lessee or at Lessee's direction, (such period being referred to as the "5 Day Acceptance Period") shall constitute acceptance by Lessee of such Car, and shall be conclusive evidence that such Car is accepted by Lessee for all purposes of the Agreement.
4. Commodities to be Carried. Lessee will use the Cars for only sub-bituminous and bituminous coal.
5. Lease Commencement Date. As to a Car, the date such Car is accepted at the Delivery Location.
6. Expiration Date. (a) May 31, 2004 (which is agreed to be the date which is sixty (60) months from the last day of the month in which the last Car described on this Schedule is to be accepted at the Delivery Location).  
  
(b) Early Termination. Not less than one hundred twenty (120) days prior to May 31st of any year (the agreed annual anniversary date of the Schedule), Lessee may, at its option, give Lessor written notice of its intention to terminate, on such annual anniversary date, the lease of all (but not less than all) Cars subject to the Schedule. An early termination penalty will be assessed based upon the present value of all remaining rents due for the Schedule at a discounted rate of nine percent (9%) compounded annually. Said Cars shall, on such annual anniversary date, be returned to Lessor in accordance with the return provisions of the Agreement.
7. Party Responsible for Taxes. Notwithstanding anything contained in section 7B of the Agreement, Lessor agrees to assume responsibility for and to pay all Property Taxes levied upon the Cars and to file all Property Tax reports relating thereto.
8. Remarketing Responsibility. Not applicable.
9. Delivery Location. Johnstown America Corporation Manufacturing Plant-Johnstown, PA

10. Rent. (a) Lessee shall pay Lessor a fixed rent of \$529.50 per Car per month payable in advance. Any period which is less than a full month shall be prorated. Rent shall commence on the date a Car is accepted at the Delivery Location ("Rent Commencement Date").
11. Settlement Value. The amount set forth on the following stipulated loss value table.
12. Lessee Notice. The Burlington Northern and Santa Fe Railway Company  
2650 Lou Menk Drive  
Fort Worth, TX 76131  
Attention: Mr. Tom Claeys  
Telecopier No.: (817) 352 - 7939

Each party, pursuant to due corporate authority, has caused this Schedule to be executed by its authorized officer or other employee, and each of the undersigned declares under penalty of perjury that he or she holds the title indicated below, that the execution of this Schedule was the free act of the corporation, the foregoing is true and correct and that this Schedule was executed on the date indicated below.

THE CIT GROUP/  
FINANCING, INC.,  
Lessor

By: Joseph J. Marlonese  
Title: Vice President  
Date: 22 MAY 01

THE BURLINGTON NORTHERN  
AND SANTA FE RAILWAY COMPANY,  
Lessee

By: Tom Claeys  
Title: VICE PRESIDENT  
Date: 5-14-01

Exhibit A  
Stipulated Loss Schedule

Rental #	Stipulated Loss Value
-	63,718
1	63,746
2	63,773
3	63,798
4	63,815
5	63,831
6	63,845
7	63,852
8	63,855
9	63,859
10	63,860
11	63,852
12	63,841
13	63,820
14	63,798
15	63,774
16	63,739
17	63,703
18	63,664
19	63,616
20	63,565
21	63,512
22	63,457
23	63,396
24	63,332
25	63,263
26	63,191
27	63,116
28	63,036
29	62,953
30	62,868
31	62,776
32	62,683
33	62,586
34	62,488
35	62,385
36	62,280
37	62,172
38	62,061
39	61,948
40	61,830
41	61,711
42	61,588
43	61,462
44	61,334
45	61,203
46	61,069
47	60,933
48	60,795
49	60,655
50	60,512



Exhibit A  
Stipulated Loss Schedule

Rental #	Stipulated Loss Value
51	60,367
52	60,219
53	60,069
54	59,917
55	59,762
56	59,604
57	59,444
58	59,281
59	59,116
60	58,949